Treasury and Policy Board Office

2003-2004
Accountability Report

NOVA SCOTIA

106-06143/

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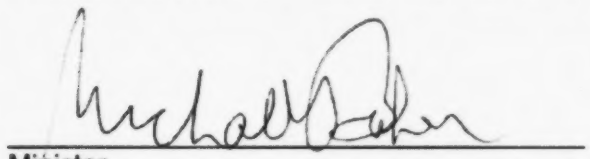
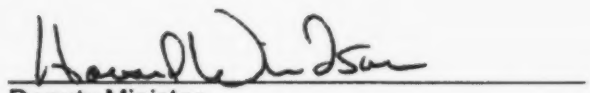
Accountability Statement

The Accountability Report of the Treasury and Policy Board office, for the year ended March 31, 2004, is prepared pursuant to the *Provincial Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the Treasury and Policy Board office business plan information for the fiscal year 2003-2004.

The reporting of Treasury and Policy Board office outcomes necessarily includes estimates, judgments, and opinions by Treasury and Policy Board management.
We acknowledge that this accountability report is the responsibility of Treasury and Policy Board management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the Treasury and Policy Board business plans for the year 2003-04.



Minister



Deputy Minister

Message from the Minister

I am pleased to present the annual accountability report of the Treasury and Policy Board office for the fiscal year 2003-2004.

This report outlines the many areas in which the Treasury and Policy Board office contributed to one of the Government of Nova Scotia's planning themes for 2003-2004: promoting good management and a professional public service.

The Treasury and Policy Board office guides the internal systems that ensure government functions well. While internal government processes may not seem important to the day-to-day lives of Nova Scotians, good management is fundamental to making sure taxpayers' dollars are spent carefully and in the right areas.

I believe we made considerable progress in our efforts to improve many of these systems in 2003-2004, as the detail of the report will show. We will continue to make further improvements in the coming year.

We are committed to promoting good management and a professional public service, this year and every year.

Honourable Michael Baker

Introduction

Accountability reporting seeks to demonstrate performance by reporting on an annual basis to the House of Assembly, results achieved in relation to the goals and the priorities set out in the annual business plan.

The accountability report is presented in three main sections. The first section defines the mandate and goals of the Treasury and Policy Board office and describes the progress toward achieving the priorities of each core business area as set out in the 2003-2004 business plan. The priorities are those major initiatives or planned accomplishments that are fundamental to the success of each core business area. Accordingly, each priority plays an integral role in ensuring a core business area meets its expected results.

The second section reviews the financial results and the final section describes how the results of the core business area contribute to the Treasury and Policy Board office goals.

Mandate

The Treasury and Policy Board was created as a Committee of Executive Council in June of 2001, under the *Government Restructuring Act*.

The Treasury and Policy Board office provides operational and administrative support to Treasury and Policy Board and Executive Council. Key responsibilities and strategic goals of the office include:

- to provide high quality analysis and recommendations to the Executive Council and Treasury and Policy Board
- to improve communications between elected officials and the public service, including crown corporations and other government agencies
- to improve accountability of government and the public service, including crown corporations and other government agencies
- to strengthen the corporate leadership of the public service
- to promote the implementation of government's strategic plan, through the improved integration of planning, budgeting, and communications
- to improve systems, processes, and procedures required for effective and efficient administration of government.

These strategic goals are part of a continuing effort to ensure that decisions are integrated and aligned with the fiscal and social policies of government.

The Treasury and Policy Board office monitors and sets government-wide policies, analyzes and makes recommendations regarding proposed department and agency program changes, and assists and monitors to ensure that decisions are implemented.

The Treasury and Policy Board office values facilitation, collaboration, and shared accountability in guiding departments, agencies, and independent Crown corporations in their operations.

The Treasury and Policy Board office works closely with the Department of Finance to develop the provincial budget, and has close links with Communications Nova Scotia to ensure effective internal and external communication of government priorities and decisions.

Organization

The Treasury and Policy Board office has a budgeted staff complement of 26.4. The number of forecasted full-time equivalents for 2003-2004 was 25.5, due to unfilled positions. The Executive Officer oversees the day-to-day operations of the office, reporting to the Deputy Minister of Treasury and Policy Board office.

Progress and Accomplishments

Core Business Area: Support to Treasury and Policy Board and Cabinet

Priority
Evaluate the quality and methods of the staff support to Cabinet/Treasury and Policy Board and its subcommittees and make improvements as required.

Accomplishments
A sample of Ministers and Deputy Ministers was interviewed and provided an overall impression and perception of the quality of information and advice provided by Treasury and Policy Board office. The feedback was positive. Ministers and Deputy Ministers commented that the Treasury and Policy Board office staff provided professional and high quality analysis that improved their decision making. However, it was also noted that quality research and analysis often take time. Using the feedback received in the interviews, Treasury and Policy Board staff continued to work closely with Executive Council towards continuous improvement in communication and cooperation.

Priority
Support the work of the Legislation Committee by identifying policy issues that should be referred to Cabinet/Treasury and Policy Board for review and decision and providing advice on the draft legislation to ensure policy objectives are being met.

Accomplishments
In December 2003, the Legislation Committee mandate was expanded to include regulation review. At the same time, Executive Council created two new committees; the 'Social Policy Committee' and the 'Economic Growth Committee'. As a result, the Treasury and Policy Board office was requested to expand its support role to include all of these Cabinet Committees.

Treasury and Policy Board office staff provided technical support and analysis for issues referred to the Legislation Committee. The Executive Officer of Treasury and Policy Board Office sat as staff support to the Legislation Committee to ensure appropriate liaison between the Committee and Treasury and Policy Board office. As well, Treasury and Policy Board office staff assisted with the development of staff, and logistical and technical support to the Social Policy and Economic Growth Committees, and applied similar organizational principles to the Legislation Committee.

Core Business Area: Strategic Planning and Budgeting

Priority
Develop a Business Planning, Budgeting and Accountability Framework.

Accomplishments
A Business Planning, Budgeting and Accountability Framework was drafted by March 31, 2004 and is ready for Cabinet approval. The framework explains the linkages between the planning, budgeting and accountability components of this cycle and describes the purpose /role of environmental scanning, operational planning, performance measurement and evaluation.

The first stage of the review process, which is required prior to Cabinet approval, has been completed. It is expected that the approval process will be completed in the upcoming fiscal year and that the framework will be published in the Management Manual. The framework will be accompanied by a user guide for departments and agencies which will explain each component in detail. Training and development plans will also be developed, together with communication and implementation plans.

Priority
In collaboration with other central agencies, lead the development of systems, processes and tools for improved internal, government-wide communications such as: sharing best communications practices, enhancing the government Intranet page, and promoting the use of online tools such as Nspire for employees.

Accomplishments
Treasury and Policy Board office worked with Public Service Commission and Communications Nova Scotia in 2003-2004 to identify and promote ways to improve internal communications within the Government of Nova Scotia.

The steering committee established a project plan and a working committee developed a manager's toolbox for internal communications.

Treasury and Policy Board office assisted the Public Service Commission with development of new training opportunities to help managers and staff across government improve their internal communications skills. A segment was added to the new management orientation program to introduce new managers to communications services within government.

Core Business Area: Coordination of Corporate Policies and Priorities

Priority

Lead the implementation of a revised program inventory and costing initiative. The inventory and costing of programs will assist government in measuring effectiveness, economy, and efficiency. This is a two-year project. By March 31, 2004, the program inventory and analysis will be completed.

Accomplishments

This project is being implemented in two phases using the work plan developed in 2002-2003.

Phase 1: Program Inventory

A common definition of a program has been established. Two pilots were conducted: one in Service Nova Scotia and Municipal Relations and one in the Department of Energy. Each completed their respective program inventories using the common definition of a program. A draft framework outlining the steps for identifying the program inventory has been documented, based on the results of the pilots. Roll-out to other departments/ agencies will be introduced through a government-wide workshop which is planned for June 2004.

Phase 2: Costing Methodology

A working group consisting of operational staff and senior financial corporate service unit staff from the pilot departments has been established. A costing framework will be documented and training developed. A web-based application has been developed in-house to capture program information. It is proposed that it be linked with the government's Corporate Financial Management System, SAP, to enable direct transfer of financial data.

An evaluation framework has also been put in place to assess if PICI is meeting its overall objectives. Additionally, a policy is being written to provide directives, guidelines and accountability for updating and maintaining the program inventory database.

Priority

Develop an evaluation policy. Evaluation should contribute to government's commitment to greater accountability and continuous improvements in policy, as well as program design and delivery. This is a multi-year project. By March 31, 2004, the policy development process will be in place, an assessment of government's evaluation capacity, and research on best practices on the evaluation of government services will have been completed.

Accomplishments

Preliminary research on best practices and the need for evaluation was carried out. Presentations regarding the value added through evaluation were made to Deputy Ministers. Due to a vacancy, this priority was not reassigned and although valued, is on hold.

Priority
Lead the development of a policy for the levying of user fees by government departments for the purpose of consistency, fairness and equity. This is a two-year project. By March 31, 2004, a database of department user fees will be developed and research of best practices for user fee policy administration will be completed.

Accomplishments
User fee policy development was started in April 2003. The initiative involves developing a master list of user fees, preparing a research report on user fee practices across Canada and internationally, and developing a user fee policy for government approval.

At March 31, 2004, a master list of user fees of government departments had been prepared. Work will continue to further refine the information contained in the master list to ensure accuracy and completeness.

Research was complete by March 31 and a report on its findings will be completed by the fall of 2004.

The expected completion date for developing a user fee policy for government approval is March 31, 2005.

Core Business Area: Supporting Effective Administration of Government

Priority
Encourage and monitor implementation of the Management Manual Policy. The review of existing and development of new government's administrative policies and procedures is an ongoing process. In 2003-2004, the focus will be on raising awareness of the management manuals and encouraging their utilization.

Accomplishments
Information sessions were held on request to explain the policies published in the management manuals and encourage their utilization. Also, the Public Service Commission incorporated a segment on management manuals in their Management Orientation Training Program.

A maintenance plan is in place to keep the manuals current, relevant and appropriate. Approximately one-third of all the policies and procedures are to be reviewed annually. The owners of the policies and procedures were contacted to initiate a review of these policies and procedures that were scheduled for review in 2003-04.

Priority

In collaboration with other central agencies, clarify roles, responsibilities, and relationships of these agencies and facilitate the development of closer working relationships.

Accomplishments

Treasury and Policy Board staff worked closely with the Department of Finance and Communications Nova Scotia during the budget process, and through the process developed a clearer understanding of the responsibilities of each agency in ensuring delivery of the budget. This is an ongoing process.

Financial Results

Treasury and Policy Board - Estimated Budget Expenditures				
	Budget 2002\03	Actual 2002\03	Budget 2003\04	Actual 2003/04
	$Millions	$ Millions	$Millions	$Millions
Total - Gross Current	$2,389.0	$2,389.0	$2,603.0	$2,406.2
Salaries and Benefits	$1,837.0	$1,719.2	$2,075.5	$2,020.5
Funded Staff (FTEs)	24.0	22.4	26.4	25.5

The variance of $133.8 from budget was due to budget restraint of 2.5per cent and vacant positions.

Performance Measures

Treasury and Policy Board office assessed its performance through multiple approaches which incorporated both qualitative and quantitative data.

A formal interview process targeting four ministers and six deputies was employed to solicit their overall impressions and perceptions of the quality of Treasury and Policy Board staff performance and service delivery. The purpose of these interviews was to obtain broad based background information about the value added by Treasury and Policy Board staff.

In addition, Treasury and Policy Board office surveyed departments in 2003 to gain a more quantitative measure of satisfaction. The survey ignored the neutral responses of agree and disagree to provide strong opinions of satisfaction or dissatisfaction providing opportunities for improvement. It should be noted that a preliminary analysis of this survey was reported in the 2002-2003 Accountability Report. Accordingly, reporting for the 2003-2004 Accountability Report has been revised in some areas after a more in depth analysis was carried out.

The analysis of the on-line survey responses excludes those who had "no experience on which to comment." Additionally, there was no response from deputy ministers. This narrowed the sample size for each response causing some concern for representation. However, it did provide some general indication of satisfaction for all groups as the perception of deputy ministers was gathered generally through the interview process.

The survey was distributed among the policy, human resources, information technology, communications, finance and operations staff of each department. There were 78 respondents (approximately 51 per cent response). The number of respondents across each group varied and resulted in small sample sizes and although we were able to obtain a general indication of the satisfaction for all groups, comparisons across groups were limited.

Feedback was also received from individuals responsible for budget and business planning.

Together, these measures provide a clear view of client perception of the quality of information and advice provided. It should also be noted that although these measures focus on assessing whether the outcomes are being met, it will also be useful for identifying opportunities for continuous improvement and the establishment of baseline data for future comparisons.

Core Business Areas, Measures, and Outcomes

Core Business:	**Support to Treasury and Policy Board/Cabinet**
Measure:	Qualitative client feedback (Executive Council/Treasury and Policy Board) with information and advice
Outcome:	Quality information and advice to the EC and Treasury and Policy Board

What does the measure tell us?
This measure tells us the overall perception of the quality of information provided to Ministers and Deputy Ministers by Treasury and Policy Board staff. This feedback is a key performance indicator for the Treasury and Policy Board office, as it provides a measure of the effectiveness of the office from the perspective of important user groups. This tells us how Ministers and Deputies rank the corporate commitment, professionalism, thoroughness, communication style, and cooperation of Treasury and Policy Board staff.

Where are we now?
As reported in the 2002-2003 Accountability Report, of the Ministers and Deputy Ministers interviewed, it was felt that there was a high level of satisfaction regarding the quality of information and advice provided by Treasury and Policy Board office staff. Ministers and Deputy Ministers commented that the staff of the Treasury and Policy Board office provided professional and high quality analysis that improved their decision making. While some commented that the timeliness of analysis could be improved, there was recognition that this was often a result of research and investigation that improved the quality of advice.

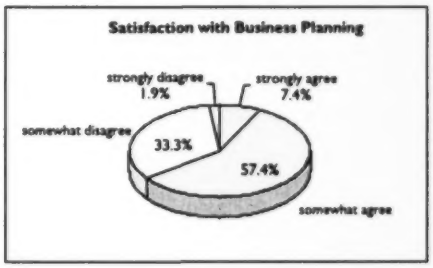
Where do we want to be?
Using these interview results as a guide, Treasury and Policy Board office staff will focus on improving the turnaround time of analysis and advice provided to Ministers and Deputy Ministers without compromising the quality and integrity of the information.

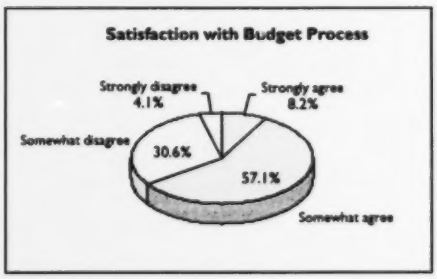
Core Business: Strategic Planning and Budgeting

Measure: Satisfaction with annual business and budgeting processes
Outcome: Improved financial and business planning accountability

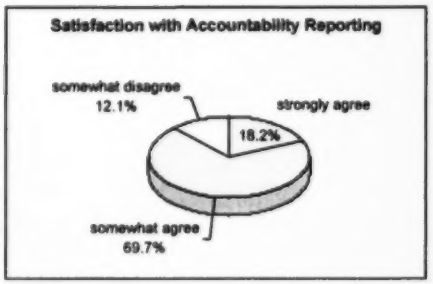
What does the measure tell us?
This measure directed at policy/financial/communications staff relates to the annual business planning and budgeting process. It speaks to the overall satisfaction with the level of coordination, support and usefulness of documentation for the business planning, budgeting and accountability reporting processes.

Where are we now?
Business Planning
Of the majority of respondents who have experience with the business planning process, (57 per cent) said they were somewhat satisfied with business planning, while 7 per cent indicated they were very satisfied. (24 of the 78 respondents had no experience on which to comment).





Budgeting
The majority of respondents who have experience, said they were somewhat satisfied (57per cent) with the budgeting process, while 8 per cent were very satisfied. (29 of the 78 respondents had no experience on which to comment).



Accountability Reporting
The majority of respondents who have experience, said they were somewhat satisfied (70 per cent) with the accountability reporting process, while 18per cent were very satisfied. Only 4 per cent said they were somewhat dissatisfied. (24 of the 78 respondents had no experience on which to comment).

In general, the results tell us that although most respondents were somewhat satisfied with each of the processes, opportunities exist for improving each of these areas.

Where do we want to be?
Although most respondents who have experience with the annual business planning and budgeting process are somewhat satisfied, our target will be to increase the percentage of people who are very satisfied. We will conduct a comprehensive review of existing business planning and accountability reporting practices to improve their usefulness and value to stakeholders. One priority that Treasury and Policy Board will continue to pay particular attention to will be on the guidelines for performance measures which were developed in 2003-2004 and incorporated into the Accountability Framework. The Accountability Framework, once approved by Cabinet, will be published in the Management Manuals. It will

be a tool that integrates the business planning, budgeting and accountability reporting processes.

Core Business: Strategic Planning and Budgeting

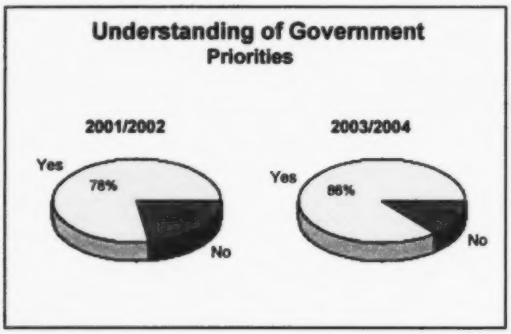
Measure: Percentage of survey respondents who said that they understood government's priorities

Outcome: Increased understanding of government priorities

What do these measures tell us?
This measure indicates the extent to which Treasury and Policy Board is effective in communicating government priorities, both in a topic specific interaction and in all communications regarding legislative and regulatory change.

Where are we now?
The Treasury and Policy Board Client Survey incorporated multiple questions directed to the work of the Treasury and Policy Board office staff, in addition to a general question regarding the level of respondent understanding of government priorities and goals.

In the 2001 survey 73.5 per cent stated that they had a good understanding of Government's priorities. The 2003 survey results indicated that 40 per cent of respondents who have experience on which to comment, strongly agreed that they have a good understanding of the priorities and goals of government, while 46 per cent somewhat agreed. Although the 2001 survey posed this question with a yes or no answer, it does give us some indication that improvement has been made.



Thirty four per cent of respondents who have experience on which to comment, strongly agreed that the staff of the Treasury and Policy Board office promotes the priorities and goals of government, while 60 per cent somewhat agreed. Only 1 per cent strongly disagreed that Treasury and Policy Board Office does not promote the priorities and goals of government.

Where do we want to be?
Overall, respondents have a good understanding of government priorities. Treasury and Policy Board staff do contribute to this understanding but have some work to do to improve on the communication of government's priorities and goals. Now that the Treasury and Policy Board office has more specific feedback, it is intended that a specific action plan targeted in the areas of communication, process and roles, will improve the respondents satisfaction.

Core Business: Supporting Effective Corporate Administration of Government

Measure: Percentage of survey respondents satisfied with the Management Manual updating process

Outcome: Useful administrative policies that facilitate efficient government administration

What do these measures tell us?
In 2002-2003, Treasury and Policy Board office coordinated an update of the corporate policies and published the management manuals on the government Internet web site. This measure tells us whether Treasury and Policy Board staff provided and managed a comprehensive review process leading to the publishing of the manuals.

Where are we now?
The survey results show that overall, there was 84 per cent satisfaction with the Management Manual updating process.

Forty two of the 78 respondents had experience on which to comment with regard to the updating process of the management manuals. Seventeen per cent of the 42 respondents strongly agreed that they were satisfied with the updating process and 67 per cent were somewhat satisfied.

More important, given that all respondents should be users of the policies, 36 of the 78 respondents indicated they had no experience on which to comment. Thirty six per cent of those familiar with the Management Manuals strongly agreed that the management manuals were useful.

Where do we want to be?
It is clear from the survey results that there are a number of individuals who are not familiar with the management manuals and the value of the information that they contain. In 2003-2004, Treasury and Policy Board developed information sessions which were held on request to explain the policies published in the management manuals and encourage their use. Also, the Public Service Commission incorporated a segment on management manuals in their Management Orientation Training Program. These information sessions will help build awareness of the usefulness of the management manual. The target for 2004-2005 will be to increase the number of respondents who strongly agree that the Management Manuals are useful.